

# BEIJING REVIEW

北京周報

A CHINESE WEEKLY  
OF  
NEWS AND VIEWS

Strengthening Party  
Leadership Over  
Ideological Work

Workers' Congresses  
And Democratic  
Management of  
Enterprises

China Condemns South  
Africa's Aggression  
Against Angola





## HIGHLIGHTS OF THE WEEK

### Ideological Work Stressed

A national meeting on ideological work stressed the need to use criticism and self-criticism to combat erroneous tendencies that deviate from the socialist road, oppose Party leadership and advocate bourgeois liberalization. Main points of speeches by Deng Xiaoping and Hu Yaobang on strengthening Party leadership over ideological work and putting an end to weak and lax leadership (p. 13).

### Workers' Congresses

Unlike their counterparts in capitalist countries, workers in China enjoy the right to discuss and make decisions on important matters in their enterprises. A brief survey of the system of workers' congresses and how it works (p. 14).

Democratic management of the enterprises will be perfected step by step with the recent promulgation of the provisional regulations concerning workers' congresses (p. 16).

### "Taiwan Relations Act"

What actually is this act? What's the line of thinking behind it? What effect will its implementation have on Sino-US relations? These are some of the questions dealt with in an analytical article (p. 19).

### South African Regime Condemned

South African troops' incursion into Angola in defiance of all norms governing international relations has been denounced throughout the world (p. 9).

A spokesman of the Chinese Foreign Ministry condemns the incursion as another crime committed by the South African racist regime against Angola and a serious threat to peace and stability in southern Africa (p. 10).

### Soviet Buildup in Baltic Region

The massing of Soviet warships in the Baltic Sea and the TASS announcement of large-

scale exercises there in early September has drawn worldwide attention to that region, which is of strategic importance and which is an ideal springboard for the Soviets to strike westwards (p. 11).

### Almanac of China's Economy

A compendium giving an up-to-date and overall picture of China's economy with verified statistical figures and articles written by noted economists (p. 31).



A peasant fair in Shenyang.  
Photo by Sun Liansheng

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24 Baiwanzhuang Road, Beijing  
The People's Republic of China  
Published every Monday by  
BEIJING REVIEW

Vol. 24, No. 36 September 7, 1981

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Published in English, French,  
Spanish, Japanese and  
German editions

Distributed by GUOJI SHUDIAN,  
(China Publications Centre),  
P.O. Box 399, Beijing, China

Subscription prices (1 year):

Australia.....A.\$12.50	U.S.A....US\$13.50
New Zealand...NZ.\$14.50	U.K.....£6.80
Canada.....Can.\$15.60	



### "Western Pollutants"

Now that you adopt an open-door policy, aren't you afraid of the Western influence of pleasure-seeking?

Exchanges with foreign countries in the economic, cultural and other fields have increased since the adoption of an open-door policy. While we can learn advanced science and technology and management experience from the West, the other aspects of life common in Western capitalist society, such as indulgence in material enjoyment, benefiting oneself at the expense of others, depravity and crime, will inevitably affect our society. Some of our foreign friends are worried that these "Western pollutants," as they call them, would have adverse effects on the Chinese people.

It's true that in the last few years people do not speak of the mental outlook of our people and social morality as favourably as they used to do in the 50s and early 60s. Cases of speculation and embezzlement, robbery and swindling, murder and other crimes have increased, and a number of young people have no aspirations whatsoever but indulge in pleasure-seeking. Moreover, social ethics and social security have not taken a basic turn for the better. The causes are many. There are, for instance, the aftereffects of the 10-year turmoil of the "cultural revolution," which are the most important causes, and the fact that political and ideological work among the people has been overlooked. And, of course, there are the Western bourgeois

influences which cannot be denied. This situation has drawn the attention of the Party and government. Since the beginning of this year, stress has been laid on raising the level of socialist ethics while we press ahead with the building of a highly developed socialist material civilization.

In a socialist society where the system of one class exploiting another is abolished, the essence of socialist ethics is the concept of serving the people and the collective spirit. Such practices as benefiting oneself at the expense of others, extreme individualism and liberalization — which deny the leadership of the Communist Party and depart from the socialist road — are all incompatible with socialist ethics.

What measures have been taken to raise the level of socialist ethics?

The most important measure is to conduct political and ideological education, which means to educate the people in the Marxist world outlook and communist moral values so as to enhance their ability to consciously resist bourgeois ideas. There are various ways of carrying out ideological education which is now high on the agenda of Party committees in government and mass organizations, schools and enterprises. In this regard the mass media have also helped by commending people who have done something good for the public, advocating new morality and

practices, criticizing the backward and exposing and censuring the law-breakers.

Last spring saw the launching of a campaign on learning from Lei Feng (see issue No. 22, 1981) and another on the "five stresses and four points of beauty" (stress on decorum, manners, hygiene, discipline and morals; beautification of the mind, which means cultivating a fine ideology, moral character and integrity and upholding the Party's leadership and the socialist system; beautification of language, which means the use and popularization of polite language; beautification of behaviour, which means doing useful things for the people, working hard, being concerned for the others' welfare, observing discipline and safeguarding collective interests; beautification of the environment, which includes paying attention to personal hygiene and to sanitation in the houses and public places). All are for the purpose of educating the people, the young in particular, to foster revolutionary ideals, enhance their political consciousness and raise the level of socialist ethics.

Those who violate the law and discipline will of course be dealt with according to law or, in some cases, disciplinary measures will be taken against them.

Initial results have now been achieved, but much remains to be done. To check the influence of Western bourgeois ideas is a long-term task in the new historical period.

— Political Editor  
An Zhiguo



# LETTERS

## Congratulations

I wholeheartedly congratulate you on your achievements and on your successes in carrying out the four modernizations under the guidance of the four principles in order to build China into a modern and powerful socialist country. I hope your Party will continue to be great, glorious and correct and that you will achieve your goal of bringing up a new generation through the movement of "five stresses and four points of beauty." [See "Western Pollutants" in the column "Notes From the Editors" of this issue for explanation.]

Mario Bernal R.  
Bogota, Colombia

## Mao Zedong's Contributions

Looking through the issues of *Beijing Review*, it appears that at present the CPC is busy in assessment of Mao's role in the PRC in particular, and the world in general.

I think Mao's role in the PRC in particular and for the world revolutionary movement in general is of a long-standing significance. Mao was a man who not only led the revolutionary movement of the Chinese people, but also laid foundations for the economic reconstruction of his country. Besides, he showed to the people of the third world a way to live in a precarious world ridden with superpower rivalries. There may be differences on minor points here and there but on essentials his thoughts are still valid. Such blind praise for any individual is intolerable, however great he may be.

As far as your observations of the socialist system are concerned, I agree with you that, being a young system, it suffers from many imperfections which will be corrected in the course of time. However, I may venture to add one point that the coexistence of a socialist system with capitalism also entails many restraints upon the growth of the socialist system.

Nobody knows how long this state of affairs will continue.

Abdul Qadeer Nomani  
Fatupura Gujrat, Pakistan

"China After Mao Zedong" in the column "Notes From the Editors" (issue No. 30) has clarified many questions. But I'd like to ask one more question: In China, mistakes committed by Mao Zedong in his later years have been left out of Mao Zedong Thought. In that case, which parts of Mao Zedong Thought, including his unfinished tasks, are you going to uphold in the future? I am eager to hear your opinion on this question.

Hiromichi Kawamoto  
Yamaguchi, Japan

*Please read the section on Comrade Mao's historical role and Mao Zedong Thought in the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China (issue No. 27). — Ed.*

## New Realism

On the whole, I like what I read in *Beijing Review*. It seems to indicate a sounder political line, one says that problems can only be approached one step at a time. This squares with my own revolutionary experience as well. This new realism together with an inspired youth will lead to progress in your country and this will have a beneficial effect on the oppressed people all over the world.

Howard Feinstein  
New York, USA

## New Strategy for Economic Development

"A New Strategy for Economic Development" in issue No. 32 is a good article and worth reading. Since China completed its socialist transformation of the means of production, it has continually progressed along the road of the four modernizations.

The aim of economic strategy is always to improve the people's livelihood and bring benefits to the people irrespective of ideology and social systems. Therefore, every country is now faced with the problems of making long- and short-term plans and forming a

rational structure of production in order to ensure steady development and raise productivity. As pointed out in the article, it is not an easy job to look after both the peasants which make up 80 per cent of the population and the urban workers. I hope you will achieve satisfactory results.

Tsuxoshi Seki  
Chiba, Japan

## Opinion Digest

I most like to read the column "Opinion Digest." It should be published more often. It would be better if you published some controversial articles, especially theoretical articles (for instance, articles from *Hongqi*, the theoretical organ of the Chinese Communist Party).

Rene Behr  
Karlsruhe, West Germany

## Comments on Articles and Columns

I enjoy the column "Notes From the Editors" because it answers many questions about China that I would ask myself. I found both the articles (in issue 30) to be clear and to the point.

I thought the article entitled "The Crux of the Sino-Soviet Boundary Question" was informative but too long.

I do not think that the political articles are that good. I find the articles in "Opinion Digest" and "Culture and Science" to be very interesting.

I enjoy the articles in the "International" section because I am interested in China's views on world events. I also think that the articles are good because they are not too long.

I think the cover design is excellent. I do wish that there were more illustrations though.

John G. Megna  
Miami, Florida, USA

**CORRECTION:** On page 4 in issue No. 35, the last sentence in the middle column should read: "Decisions taken by OAU countries at their summit conference are always respected by China."



## POLITICAL

## Education in Revolutionary Tradition

Jiefangjun Bao (Liberation Army Daily) recently published a memoir by a veteran Red Army soldier in which he recalled the difficult life in the revolutionary base area in northern Shaanxi immediately after the Long March of 1934-35. He said: "Every day each of us had only 250 grammes of grain and five cents for vegetables. Winter had come, but there were no cotton-padded clothes for both the commanders and soldiers and we were still wearing straw sandals. Although the material conditions were so poor and there was the possibility that we would be killed in the frequent battles with the enemy, every one was in high spirits and remained confident that the revolutionary cause would triumph."

Simple but moving reminiscences like this had often been published in the Chinese newspapers and other publications. Long and short alike, they had been warmly received by the readers.

The history of the Chinese revolution repletes with heart-stirring deeds. Seven decades have passed since the Revolution of 1911 led by Dr. Sun Yat-sen, and it's now 60 years since the Chinese Communist Party was founded. In the intervening years, countless revolutionary pioneers had waged undaunted struggles and many had laid down their lives in search of the truth and to save the Chinese people from the abyss of misery. Many revolutionaries

who saw action in those difficult days have now retired, but instead of leading an easy and comfortable life, they are making full use of their remaining years to write memoirs. Some recall personal revolutionary experiences, some are accounts of historical events, and some record the activities of revolutionary leaders. They all reflect the loyalty and love of the revolutionaries of the older generation for the people, their firm faith in the revolution, their mettle and noble qualities. Great importance has always been attached to educating the people, especially the young, in the revolutionary tradition, exhorting them to emulate the heroic deeds of the revolutionary pioneers. This is essential if the revolutionary cause is to be carried forward.

Museums have been built to house valuable objects of the revolution. In Beijing, for instance, there are the Museum of the Chinese Revolution and the Military Museum of the Chinese People's Revolution. On display are large quantities of historical relics and pictures, all witnesses to the long and arduous course of the Chinese revolution. These exhibits are not only valuable materials for the study of the Chinese revolution but also excellent teaching materials for educating posterity in the revolutionary tradition. Large numbers of people, many being young people and children, flock to these places during their days off or on occasions in commemoration of revolutionary events.

Radio and TV broadcasts, films and theatrical works also take on the important task of publicizing revolutionary

history and the heroic deeds of revolutionaries of the older generation.

## ECONOMIC

## Farm Mechanization

Since the introduction of the system of responsibility in rural production whereby output quotas are set for each household or a group, many people have worried that the individual households or groups would not be able to buy farm machines and therefore farm mechanization will be retarded.

Facts do not substantiate this concern. According to statistics released by the Ministry of Agricultural Machinery, the demand for economical and applicable medium-sized and small farm machinery has increased. This is because the introduction of the system of responsibility has stimulated the enthusiasm for production and increased the peasants' purchasing power. The sale of walking-tractors, hand-carts, hand sprayers, small harvesters, threshers and driers has actually increased.

Last year 15,300 walking-tractors were sold in Sichuan and 22,700 in Henan. This is a 28 per cent increase over 1979. The number of walking-tractors sold in Guangdong, Anhui, Shanxi, Zhejiang and seven other provinces in the first four months of this year has surpassed the number sold in the same period last year. In many places, the supply of small and medium-sized farm machinery falls short of demand.

Xiang Nan, former Vice-Minister of the First Ministry of Machine Building and currently



Party secretary of Fujian Province, said at a recent work conference on farm machinery: The introduction of the system of responsibility in production in the rural areas has brought forth the enthusiasm of the peasants and this, in turn, has increased the demand for farm machines. In the first quarter of this year, 440 walking-tractors, 8,861 handcars and 4,600 diesel engines were sold in the Longxi Prefecture of Fujian Province; this is 112, 2,563 and 600 respectively more than in the same period of last year.

One problem remains to be solved. As the situation in the rural areas has changed, the production of farm machinery should make changes accordingly. In the past, farm machinery was mainly used for the cultivation and processing of food crops. In the future, it should be oriented to a diversified economy to serve agriculture as well as forestry, animal husbandry and fishery. Tea picking, sugar-cane cutting, fishing and the preservation of fruits and vegetables should all be mechanized. All this opens broad new vistas for developing the farm machinery industry.

## Children's Foundation Set Up

The Children's Foundation was recently set up in Beijing under the sponsorship of 11 national mass organizations. It will accept voluntary donations to augment government funds for the welfare of children.

In March this year, the Secretariat of the CPC Central Committee convened a meeting attended by 31 ministries and national mass organizations to discuss work concerning children. Topics of discussion ranged from publication of books for expectant mothers to food and clothing, medical care and education for the country's 300 million youngsters.

The funds of the foundation will first be used to build a centre in Beijing for children's activities and to buy some necessary equipment for other centres in various parts of the country. Voluntary donations from people abroad can be remitted through the Bank of China.

In northwest China's Qinghai Province, more than 40 Party and government departments, army units and enterprises have contributed 300,000 yuan. The money is from savings of administrative spendings and that part of the profit the enterprises are entitled to retain. The donors have proposed that the money be used to build parks and recreation centres for children.

The Dongfang (Oriental) Song and Dance Ensemble gave a special performance and donated the proceeds to the foundation. Other theatrical and sports organizations have decided to do the same.

Liu Ying, a member of the CPC Central Commission for Inspecting Discipline, has donated 40,000 yuan of her own savings. She is a veteran Party member and widow of the late Zhang Wentian, who was one of the Party leaders.

The organizations that sponsored the setting up of the foundation include the All-China Women's Federation, the China Welfare Institute, the Chinese People's National Committee in Defence of Children, the All-China Federation of Trade Unions, the Communist Youth League, the China Association of Science and Technology and the State Physical Culture and Sports Commission.

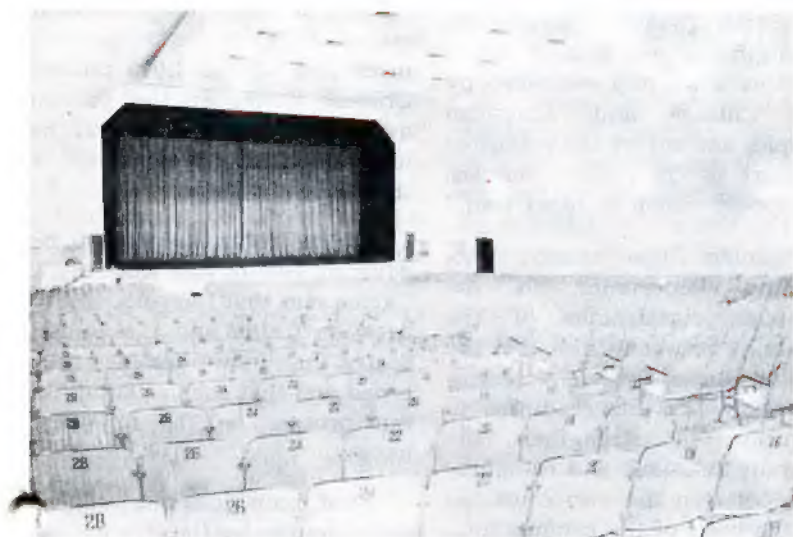
## Underground Cinemas

Air-raid shelters in Beijing are being converted into public facilities to meet present social needs. The Xuanwu Cinema in southwestern Beijing, which opened last July, is just one example. It has a seating capacity of 1,150 and is outfitted with air-conditioning and central heating. The municipal architectural department has approved it as a class A cinema.



The system of responsibility in production has brought tangible results. Picture shows three peasant households in Shandong Province's Shanghe County buying a tractor.





The underground cinema in Beijing's Xuanwu district.

Another similar movie house, located east of Tiantan Park, opened May 1 and has already been utilized by over 240,000 moviegoers.

In Beijing one million square metres of the air-raid shelters, built in the late 60s and early 70s, can be transformed for current use. Already 40 per cent of these shelters have been converted into 66 hotels, 7 shops, 60 workshops and 324 warehouses. In addition, many units are using their shelters as clinics, canteens, meeting rooms and recreation centres.

The conversion of air-raid shelters for other services has improved people's lives, and offset the shortage of shops and public facilities. Moreover, such use keeps the shelters in good repair.

Shelters in other cities are also being turned into places which can be made use of during peacetime.

### Flood Again in Sichuan

Exceptionally big floods hit Sichuan Province and the Han-

zhong Prefecture in adjacent Shaanxi Province in July (see issue No. 31, p. 4) and again in mid-August. This was because of continual torrential rain which caused the tributaries on the upper reaches of the Chang-jiang (Yangtze) River to overflow their banks.

In northern and western Sichuan, 15 people died and over 100 were injured and more than 5,000 houses collapsed. The Chengdu-Kunming and Baoji-Chengdu Railways which were repaired and reopened to traffic not long ago were again disrupted. Altogether, about 50,000 people were stranded in the flooded areas of Shaanxi Province.

Leading comrades at various levels in the two provinces of Sichuan and Shaanxi rushed to those areas to organize and direct rescue work. The CPC Central Committee and the State Council immediately sent a delegation to convey the sympathy of the Party and government to the people there. The delegation was headed by Peng Chong, Member of the

Political Bureau of the Party Central Committee and Vice-Chairman of the Standing Committee of the National People's Congress, and the deputy head of the delegation was Vice-Premier Yang Jingren.

Now most of the stranded people in Hanzhong Prefecture have moved to places of safety and settled down in temporary shelters. The Chengdu-Kunming Railway has been repaired and reopened to traffic, while rush repairs of the Baoji-Chengdu Railway are still going on.

Relying on their own efforts to overcome difficulties, about 90 per cent of the 2,600 enterprises affected by the flood have restored production.

After investigating the situation of the two floods, first secretary of the Sichuan provincial Party committee Tan Qilong said that a major cause of this year's floods in Sichuan is serious soil erosion resulting from wanton felling of trees on the upper reaches of the Chang-jiang. So whenever there is heavy rain, large areas are inevitably imperilled.

The most important lesson, therefore, is to protect the forests and stop the wanton felling of trees so as to reduce the danger of flooding. At the same time, Tan Qilong said, afforestation must be carried out in a planned way to maintain ecological equilibrium.

According to a survey conducted by a group of scientists, of the 193 counties in Sichuan Province, there are only 12 where the afforested acreage exceeds 30 per cent of the area. In central Sichuan, the scene of the July flood, the afforested



area of half of the 53 counties is less than 3 per cent. One example is Wusheng County which was hard hit by the recent floods. In the 1950s, the county had an afforested area of 10,000 hectares, but large-scale felling in the years 1966-76 had reduced it to only 56 hectares.

Every year about 640 million tons of silt are washed down the Changjiang. This means a five-inch layer of rich top soil is washed away from 333,000 hectares of land.

## FOREIGN RELATIONS

### Jimmy Carter in Beijing

Former US President Jimmy Carter arrived in Beijing on August 24 for a 10-day visit to China at the invitation of the Chinese Government. During his stay in Beijing he met with Chinese leaders Hu Yaobang, Deng Xiaoping and Zhao Ziyang. He also toured Xian, Shanghai and Suzhou.

At the banquet he gave in Beijing in honour of the former President, his wife and their party, Premier Zhao Ziyang recalled the development of the relations between China and the United States since the establishment of diplomatic relations. "The healthy development of Sino-US relations," he said, "is not only in the interests of our two peoples but is also of strategic importance to the cause of maintaining world peace and opposing hegemonism. Since the establishment of diplomatic relations, exchanges between our two countries in the political and economic fields

and in the spheres of science, technology and culture have increased, and the ties between our two peoples have been strengthened on a new basis. All this is warmly welcomed by the Chinese and American peoples and enjoys the extensive support of US political circles, a support which is bipartisan."

Premier Zhao added: "Attaching importance to the strategic significance of the relations between China and the United States, President Reagan has expressed his readiness to continue to strengthen the friendly relations and co-operation between the two countries on the basis of the communique on the establishment of Sino-US diplomatic relations. During his visit to China, Secretary of State Haig was asked by President Reagan to transmit to me a personal letter which gave expression to the friendly feelings between our two countries, for which I would like to express my appreciation."

During his meeting with Carter on August 27, Vice-Chairman Deng exchanged views on the world situation with the former President and expressed his sincere hope that Sino-US relations will continue to develop and not stagnate.

He added that the development of Sino-US relations is of strategic importance to the world situation as well as the common need of the two countries.

Deng Xiaoping recalled that the process of normalization of relations between the two countries was pioneered, on the US side, by Richard Nixon at the time he was President and accomplished by Carter during his tenure of office. He expressed the hope that the Reagan administration will continue to

make efforts to develop these relations.

He reaffirmed the consistent stand of the Chinese Government and of the 1,000 million Chinese people on the Taiwan question. Carter said that he understood the importance of this issue to China.

At the return reception he gave in Beijing on August 27, Carter said that the relationship between China and the United States has now become very broad and that such relationship can prosper on the following basis:

"First, both sides must adhere meticulously to the normalization agreement.

"Second, both sides must respect the relationship as strategically central to the world balance of power. Neither side should conceive of our relations as tactical in nature, in order to gain temporary advantage over a third party.

"Third, each step forward in our relationship should stand on its own merits, based on mutual benefit.

"Fourth, our relationship must be a broad one, continually expanding in the economic, scientific, and cultural realms, in addition to the military and political areas. At this stage, our relations are somewhat like riding a bicycle: If we don't move forward at a good pace, our relations may become unstable.

"Finally, we must always approach each other with a sense of realism, equality, and mutual respect."

"But," Carter said, "enunciation of principles is not enough. It is now our responsibility to realize the full promise of our relationship."



## South Africa Invades Angola

**B**ACKED by tanks and aircraft, South African troops illegally occupying Namibia in defiance of the United Nations struck over 100 kilometres into Angola on August 24. They have occupied Angolan towns and slaughtered Angolan civilians. A general mobilization has been called by the Angolan Government and Angolan armed forces are counter-attacking to drive out the South African invaders.

Since the beginning of this year, South African troops on many occasions have crossed into Angola from bases in Namibia, killing and wounding peaceful unarmed Angolans. The UN Security Council and the Summit Conference of the Organization of African Unity (OAU) denounced in no uncertain terms the aggressive acts of the South African authorities and adopted resolutions appealing to the international community to impose sanctions against South Africa. The South African authorities try to justify these acts of aggression on the pretext that their armed intrusions against neighbouring countries are in

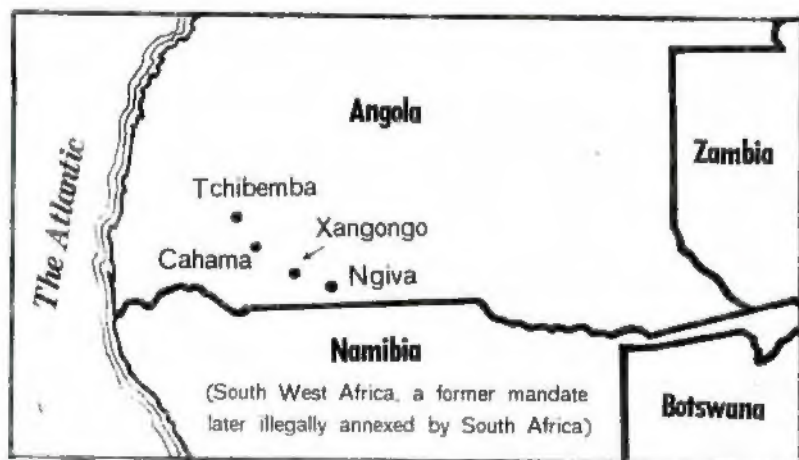
"hot pursuit against terrorists." Pretoria is carrying out ruthless suppression inside South Africa and in Namibia. Now its armed forces have been sent into a second neighbouring country, into Angola. This shows up more clearly the South African racists' total disregard for other countries' independence and sovereignty and their defiance of all norms governing international relations.

The invasion of Angola by South Africa cannot cover up South Africa's tenuous position. In January, after South Africa torpedoed the Geneva conference on the Namibian question, it aroused widespread indignation among African countries. A UN General Assembly resolution sponsored by African nations rejected by an overwhelming majority the credentials of the South African delegation. South Africa was placed in an unprecedentedly isolated position. The Namibian people, backed by the African frontline countries, have strengthened their struggle; the struggle put

up by the non-whites in South Africa against police violence is developing; and South African obstruction to Namibian independence has drawn fire from the international community. The South African racist regime found itself in a very unenviable position, so it resorted to mounting an armed incursion in an attempt to stop support from Angola and other frontline countries to the Namibian and South African people. But it is all in vain.

The South African authorities' new aggression has been vehemently denounced by the world. On August 26, the OAU General Secretariat issued a statement stressing that South African troops must be made to withdraw immediately from Angolan territory. The attitude of the United States deserves attention. On the one hand, it "deplored" the South African incursion into Angola, but, on the other, it tried to justify the incursion. US State Department spokesman Dean Fischer said that this development should be understood "in its full context," and SWAPO guerrilla "cross-border raids" on Namibia from its Angolan "sanctuaries" are "part of that context."

People know that it is the South African racist regime, with its persecution of the Namibian people and invasion against other countries in southern Africa, that is menacing the African peoples. So it is a matter of course that the Namibian and South African people want an end to racist rule and that Angola and other frontline countries extend sup-





## China Condemns South Africa

ON August 28, a Chinese Foreign Ministry spokesman issued a statement condemning South Africa's invasion of Angola. The statement pointed out that the invasion was another grave crime committed by the South African authorities against the peoples of Angola and Namibia as well as a serious threat to the peace and stability in southern Africa.

"This act of the South African authorities not only constitutes a flagrant aggression against Angola," the statement declared, "but is designed to prevent the African countries and peoples from supporting the just struggle of the Namibian people and obstruct the process of Namibia's independence. The South African authorities are apparently bent on making themselves the enemy of all Africans. But no force on earth can stem the overriding historical trend towards the securing of independence throughout the whole of the African continent."

"We demand that the South African authorities immediately withdraw their aggressor troops from Angola. The international community should make concerted efforts to stop South African aggression. We will, as always, firmly support Angola and other frontline states in their just struggle to oppose South Africa's armed invasion and safeguard their sovereignty and territorial integrity, and firmly support the Namibian people in their just struggle against illegal occupation by South Africa and for independence and freedom."

port to the struggle of the people in southern Africa against the white racist regime. It is also a matter of course they

draw sympathy and support from all countries that uphold justice.

— Yu Pang (August 27)

## Same Old Rubbish

— On the Karmal regime's statement

KABUL made public a lengthy statement on the political settlement to the Afghan problem in the name of the Karmal regime on August 24. It was described as containing nothing new by observers in some countries. A very valid estimation.

On the Afghan problem, the statement repeated the Soviet allegation that there existed "armed invasion and other subversive acts against Afghanistan" and the Soviet Union had dispatched a "limited contingent" of its army on "the request of Afghanistan" and so on and so forth. These claims are totally at variance with the

conclusion drawn by other nations. The United Nations, the non-aligned movement and the organization of the Islamic conference have all adopted resolutions in clear-cut terms, unanimously demanding the withdrawal of all foreign troops from Afghanistan and rejecting all the excuses advanced to justify Soviet military operations in that country.

As for measures to solve the Afghan problem, the statement proposed the convening of a regional conference bilaterally or trilaterally among Pakistan, Iran and the Kabul regime and the providing of "guarantees" by

the Soviet Union and the United States. This is in fact trying to put a stamp of legality on the Soviet-fostered regime and the Soviet military aggression against and occupation of Afghanistan.

The Soviet news agency TASS said on August 25 that it is a "new element" in the Karmal regime's announcement that the UN Secretary General and his representative may participate in the negotiations. This is sheer nonsense. During the foreign ministers' conference of the non-aligned countries last February, the regime had put forward a similar proposal, but it was turned down by the conference. Comparing the statement with the Soviet-Vietnamese proposition on the Kampuchean problem, one finds a striking similarity between them. This illustrates the fact that both the Karmal regime's position on the Afghan question and the Vietnamese position on the Kampuchean question are inspired by the same source — the Soviet Union.

Naturally, it is not without reason that the Karmal regime released the statement at this juncture when the Soviets are bogged down deeper and deeper in the quagmire of Afghanistan. In the 18 months since its occupation of Afghanistan, the Soviet Union has sent more than 100,000 troops to that country, spending 4 million US dollars per day. Soviet troops have killed 500,000 Afghan people and left 3 million others homeless. At present, Afghan patriots are effectively carrying out armed struggle against Soviet aggression and inflicting heavy losses on Soviet troops.

Internationally, Moscow is setting itself against the resolutions of the UN General Assembly, the non-aligned foreign



ministers' conference and the Islamic conference organization. The longer its antagonism, the greater its moral loss. The next UN General Assembly is just around the corner. It is in these circumstances that the Soviets,

while stepping up their suppression of Afghan patriots, instigated the Karmal regime to issue the statement to soften worldwide denunciation.

— *Xinhua Correspondent*  
*Mei Zhenmin*

## Heating Up the Baltic

**T**HE Baltic Sea is no longer the "Sea of Peace," as Moscow likes to describe it.

Since early August, the Soviet Union has been sending a stream of warships from its North Sea, Black Sea and Pacific Fleets to join its Baltic Sea Fleet. Observers noted that the Soviet carrier *Kiev* and the huge landing ship *Ivan Rogov* were included in the Soviet armada. The Soviet navy started landing exercises along its coast close to Poland on August 7 and then TASS announced that a large-scale exercise will take place in the Baltic Sea and the nearby military zone of Byelorussian SSR from September 4 to 12, under the command of the Soviet Defence Minister himself.

At the same time, the North Atlantic Treaty Organization also announced that NATO was holding its annual "Autumn Forge-81" exercise, which begins in September and will extend to the Baltic Sea. The Baltic has become unusually busy and this has not gone unnoticed.

The massing of warships in the Baltic does not help ease tensions there. Some say that the Soviets are strong-arming Poland, others think this is not the whole picture. Initial NATO analyses suggest that the current Soviet buildup has a dual purpose: put military pressure on Poland and to test Soviet forces in this area in the event of hos-

tilities breaking out. The hypothetical enemy being NATO. It wants to see if Soviet forces can make a pre-emptive strike and capture control of the North European region bordering the Baltic and thus force the West to give up the region.

The Baltic has always been of strategic significance economically and militarily. The tsars in the past have always tried to win control of the Baltic. The Soviet Union today sees the Baltic as an ideal springboard to strike out west into the Northern Atlantic and outflank Central Europe and eventually the whole of Western Europe. In recent years, the Soviet Union has been reinforcing its Baltic Sea and Northern Fleets, and deploying SS-20 missiles and Backfire bombers in the region. Military manoeuvres have

also been held frequently, in the Baltic region, including amphibious landings. Earlier this year, in April, the Soviet Union and some other Warsaw Pact member states conducted joint anti-submarine exercises in the Baltic, which NATO says are aimed at the Western alliance. NATO, too, has also tried in recent years to tighten its hold over these waters. This is evidenced by NATO holding important military exercises in the region. It is clear that the North European countries directly feel this pressure from the Soviet Union's building up its military forces and holding frequent military manoeuvres in this region. It is this threat from the Soviet Union that is spurring them to improve their ability to defend themselves and to strengthen co-operation with NATO.

Countries about the Baltic are understandably not taking Soviet professions about "consolidating peace" in Europe at their face value. How can they, when Soviet nuclear missile ships and other war vessels are churning up the waters of the Baltic Sea?

— *Duan Ping*

## Behind the Soviet "Peace" Offensive In Western Europe

**A** POWERFUL Soviet-inspired "peace" offensive is on the move in Western Europe. Moscow proposes suspending nuclear missile deployment in Europe, reiterates the proposal for a Nordic nuclear-free zone and suggests separate disarmament talks between West European countries and the Soviet Union. . . .

These proposals have one goal: disrupt US-West European relations, split NATO and nullify NATO's "dual resolution," but leaving the Soviet Union to keep and expand its military superiority in Europe.

**"Dual Resolution."** NATO's "dual resolution" was adopted by its member states in December 1979 when they felt gravely





Reduction by hot air.

Cartoon by Wei Qimei

menaced by the Soviet deployment of SS-20 medium-range missiles. The resolution calls for negotiations with the Soviet Union and the deployment, beginning in 1983, of 572 American Cruise missiles and Pershing-II missiles in Western Europe to counter the Soviet SS-20 missiles.

The resolution came under vehement Soviet attack as soon as it was adopted. But while the resolution was still waiting for parliamentary approval of the member countries concerned, the Soviet Union went ahead and increased the number of its triple-warheaded SS-20 nuclear missiles to over 250. These missiles, as everyone knows, are targeted on Western Europe.

Some Western observers have pointed out that even when the NATO countries do fulfil their deployment plan, the Soviet Union will still enjoy a medium-range missile superiority over NATO at the ratio of 2.5 to 1. Western experts have commented that the Soviet proposal to

suspend missile deployment is actually designed to freeze the Soviet superiority and stop the West from doing anything about it.

**Nordic Nuclear-Free Zone.** As to the renewed proposal for a Nordic nuclear-free zone, the irony is that in the Nordic region, Sweden and Finland are neutral countries without any nuclear weapons, and while Norway and Denmark are NATO countries they have no nuclear weapons either. On the other hand, the Soviet Union has huge stockpiles of nuclear weapons on the Kola Peninsula near these four countries. The Baltic region has been converted into a Soviet nuclear arsenal. Yet, the Soviet Union has the effrontery to declare that the proposed Nordic nuclear-free zone must not include the Soviet-governed Kola Peninsula and the Baltic region. The Soviet proposal is intended not only to turn the Nordic countries against NATO's "dual resolution," but also to prejudice the interests of West Germany by including in the nuclear-free zone region the West German Schleswig-Holstein state in the north.

**West Germany — the Main Target.** Because of West Germany's important strategic position, right on the frontline of the two confronting military blocs, the country has been made the chief target of the Soviet "peace" offensive against Western Europe. In NATO's integrated defence system, West Germany is the strongest member in Western Europe. Some 200 of the 572 medium-range nuclear missiles to be deployed by the NATO will be installed in West Germany. The core of the US armed forces in Western Europe is in that country too. If West Germany refuses to allow the United States to place

medium-range nuclear missiles on its territory, NATO's "dual resolution" will become infeasible. In order to realize its plan to weaken NATO strength, the Soviet Union has adopted a two-pronged tactic towards West Germany's ruling Social Democratic Party. On the one hand, it invited Egon Bahr, chief architect of the Ost policy of the Social Democratic Party, and the party's chairman Willy Brandt to visit the Soviet Union. On the other hand, it charged the incumbent Federal Chancellor Helmut Schmidt of supporting NATO's "dual resolution." Western press reports reveal that Moscow is attempting to achieve its goal by exploiting discord inside the Social Democratic Party.

What is more, the Soviet Union has tried in every conceivable way to foster pacifist and neutralist thinking in West European countries to oppose the military buildup in Western Europe.

Note that the Soviet Union launched its "peace" offensive at a time when pacifism and neutralism have gained some ground in a number of West European countries. This force opposes the possession of nuclear weapons in general terms and urges all countries to cut their military strength unconditionally. It even demands unilateral disarmament by the West. It holds in suspect the United States' intention to hold talks with the Soviet Union on a reduction of nuclear weapons in Europe.

Generally speaking, however, Soviet wishes are far from being met. Many West European countries still maintain the view that the pressing task facing them is to strengthen their defences to meet the Soviet threat.

— Li Zhongfa



# Strengthening Party Leadership Over Ideological Work

**T**HE Central Committee of the Communist Party of China is calling for stronger Party leadership over ideological work.

At a recent national meeting called by the Propaganda Department of the CPC Central Committee, it was stressed that criticism and self-criticism should be practised earnestly in order to overcome erroneous tendencies at an early date. Of particular concern were the tendencies to depart from the socialist road, evade Party leadership and advocate bourgeois liberalization. These tendencies must be seriously and correctly criticized and fought.

The meeting, which was held in accordance with a decision of the Central Committee, discussed a talk given on July 17 by Deng Xiaoping, Vice-Chairman of the CPC Central Committee, to leading members of the propaganda organizations under the Party Central Committee. Hu Yaobang, Chairman of the Central Committee, made an important speech on how to strengthen Party leadership over ideological work and put an end to weak and lax leadership.

## Main Points of Deng's Talk

Deng Xiaoping said that achievements had been made in guiding ideological work and literary and art work, and this fact should be affirmed. But there was also a tendency to do things in an oversimplified and crude way, and this should not be denied or ignored.

"The present question that merits greater attention is weak and lax leadership," he said. "Nowadays, erroneous tendencies cannot be criticized; if they are, this is called 'using a big stick.' It is not easy today to make criticisms and self-criticisms, especially self-criticisms."

Deng Xiaoping quoted a statement by Mao Zedong in his report to the Seventh National Congress of the CPC saying that earnest self-

criticism was one of the principal features that distinguished the Communist Party from other political parties.

"The essence of bourgeois liberalization is opposition to the Party leadership," Deng Xiaoping said. "Without Party leadership, there would be no socialist system. Both Party leadership and the socialist system should be improved, but bourgeois liberalization and anarchy are impermissible. We will adhere to the policy of 'letting a hundred flowers blossom and a hundred schools of thought contend,' and persist in handling contradictions among the people correctly. This will not be changed. 'Left' tendencies still exist in guiding ideological work, and this must also be corrected and firmly prevented. However, this does not mean that no criticism and self-criticism should be made of bourgeois liberalization tendencies. Adherence to the policy cannot be separated from the need for criticism and self-criticism."

Deng Xiaoping pointed out that in dealing with present problems, lessons must be drawn from past mishandlings—the old road must not be taken again; no campaigns must be launched. Attention should be paid to methods, and the degree of criticism should be appropriate. But criticism and self-criticism had to be made.

He said that writers, artists and theorists who are Party members must obey Party discipline; if Party members did not do so, how could the Party lead the masses?

## Hu's Elaborations

Hu Yaobang said that weak and lax leadership over ideological work was a general problem throughout the Party. He made it clear that the point was not to attribute responsibility but to analyse the causes so as to find the correct way to solve this problem. He stressed the need for the whole Party to learn



how to use the weapon of criticism and self-criticism to strengthen unity and improve work.

Hu Yaobang said the policies of the Party Central Committee concerning intellectuals, ideological work and literary and art work would remain unchanged. He said that criticism of the film scenario *Unrequited Love* now being made in literary and art circles should be handled well. He noted that Comrade Bai Hua had good works, but his *Unrequited Love* was not good for the people and socialism, and therefore should be criticized. "It is not an isolated matter," Hu said. "It represents a wrong tendency."

He urged those responsible for ideological work at the central and provincial, municipal and autonomous regional levels to improve their leadership

Hu Qiaomu, Member of the Secretariat of the CPC Central Committee, made an important speech, and Xi Zhongxun, Member of the Secretariat of the Party Central Committee, spoke at the end of the meeting. Also present

at the meeting were several other Party leaders.

Participants in the meeting agreed that the question raised by Party leaders was very important at this time for guiding the overall work. It would promote nationwide study and application of the guidelines of the Sixth Plenary Session of the 11th Party Central Committee.

Chairing the meeting was Wang Renzhong, Member of the Secretariat and Head of the Propaganda Department of the Party Central Committee. More than 300 people attended. They included the Party secretaries of all provinces, municipalities and autonomous regions responsible for propaganda, cultural and educational work, heads of the propaganda departments of these Party committees, heads of propaganda and cultural departments of all military area commands, all forces and services of the People's Liberation Army, leading members of the departments under the Party Central Committee and the State Council, as well as art, literary and theoretical workers and journalists. □

## An Important Step Towards Democratic Management

by Zhou Ping

**I**N the socialist enterprises in China, workers and staff members are at once labourers and masters. They are entitled to take part in management and discussions and decision-making about important matters concerning their enterprises. This is one of the fundamental differences between a socialist enterprise and a capitalist one

A system of workers' and staff members' congresses (hereafter referred to as workers' congresses) is being instituted in China's state enterprises. With the promulgation of the Provisional Regulations Concerning Congresses of Workers and Staff Members in State-Owned Industrial Enterprises which include clear and detailed provisions for workers and staff members to take part in enterprise management,

an important step has been taken towards the codification and systematization of democratic management. This involvement of workers and staff members in management is an embodiment of the mass line of the Chinese Communist Party

To run an enterprise democratically requires an organizational structure compatible with this purpose. Based on the socialist nature of our enterprises and the experiences in their democratic management, we have concluded that the system of workers' congresses under the leadership of the Party committees is the appropriate form.

The workers' congresses are not just an advisory or supervisory institution; they are the organs of power by which the workers and



staff members directly run their factories and supervise the cadres. Nevertheless, it should be clarified that workers and staff members of a state enterprise control the means of production not entirely according to their will and interests but on behalf of the whole Chinese people, their control being not absolute but relative. This is because the means of production are publicly owned and do not belong to the enterprises or those who work there but to the whole people as represented by the state. The workers' congresses exercise their functions and powers under the guidance of the state's overall plan and within the scope of the enterprises' rights to make their own decisions.

Methods of running factories and enterprises democratically have been experimented ever since the People's Republic was founded in 1949. In 1957 the Party Central Committee decided to introduce, on a trial basis, the system of workers' congresses under the leadership of Party committees. We gained experience and enriched our understanding in the process; but when the "cultural revolution" came, this system was thrown out. Then in 1978, speaking at a national conference of trade unions, Vice-Chairman Deng Xiaoping of the Party Central Committee emphasized that democratic management should be put into effect and the system of workers' congresses should be established and perfected in all enterprises.

Workers' congresses have sprung up in 36,000 of the 83,000 industrial, transport and communications enterprises at and above the county level. In Beijing, Tianjin, Shanghai and other major industrial cities, 90 per cent of the large and medium-sized enterprises have adopted the system. Marked results have been achieved in many factories, but, being a nascent development, the system failed to work smoothly in some factories. Efforts are being made in these places to solve the problems.

In many enterprises, the workers now cast votes to choose leaders of work groups, work sections and workshops. At the Shanghai No. 12 Cotton Mill, leaders of the mill were elected by its 10th workers' congress last year. Before an election took place, a list of candidates for the director and deputy directors of the mill



Li Liangmei (right), a self-nominated worker-candidate and now factory director, eating with fellow workers.

was presented based on the results of an opinion poll. Then the secretariat of the congress presented the candidates' qualifications recommended by workers' representatives to the congress. Lu Guoxian, a municipal model worker and the incumbent director of the mill, who received support from 98 per cent of the representatives, was unanimously re-elected. Nearly 1,000 factories and enterprises have thus elected their leaders across the land. Many of those elected have been widely acclaimed for their fine style of work, leadership capability and close ties with the workers.

The system of workers' congresses has helped boost production. In 1980, the Tianjin Electrolyte Plant planned to earn a profit of 2.42 million yuan; but the workers' congress decided this target was too conservative. It was revised and measures to increase production were worked out accordingly. As a result, the plant netted a profit of 4.29 million yuan, 78.7 per cent more than was originally planned.

Under the workers' congresses, the workers' welfare is carefully considered. Since the workers' congress in northeast China's Jiamusi Paper Mill resumed work in September 1979, it has received 435 suggestions from workers and staff members about problems affecting their well-being. These proposals were discussed in earnest and most of the cases have been solved as a result. In the last couple of years, the mill has built 21,000 square metres of living quarters which solved the housing difficulties for 384 families, set up a nursery to accommodate 700 more children and built a 1,875-seat auditorium. Moreover, a new sewage system and roads have been built in the workers' residential area.



Instituting the system of workers' congresses features prominently in China's ongoing drive to reform the system of leadership in enterprises. The major points of this transformation are: 1) to bring the Party's leadership into full play with the emphasis on strengthening and improving its leadership over ideological and political matters and over principles and policies instead of monopolizing everything; 2) to give full scope to the workers' sense of responsibility as their own masters and their initiative, and

set up workers' congresses so that the enterprises can be run in a democratic way; 3) to place both production and administrative work under the direction of the factory directors or managers. These actions are aimed at setting up a system in which centralized leadership and democratic management are integrated harmoniously

The new provisional regulations concerning workers' congresses are now being implemented step by step across China. □

## **Provisional Regulations Concerning Congresses of Workers and Staff Members in State-Owned Industrial Enterprises**

(June 15, 1981)

*Not long ago, the Central Committee of the Communist Party of China and the State Council promulgated the following regulations drafted by the All-China Federation of Trade Unions, the State Economic Commission and the Organization Department of the CPC Central Committee and called upon the state-owned industrial enterprises across the land to implement these regulations step by step. — Ed.*

### **Chapter I General Principles**

**Article 1** In accordance with Article 17 of the Constitution of the People's Republic of China that "the state adheres to the principle of socialist democracy, and ensures to the people the right to participate in the management of state affairs and of all economic and cultural undertakings, and the right to supervise the organs of state and their personnel," all enterprises should, while instituting the system of directors assuming responsibilities for production and administration under the leadership of the Party committees, set up and perfect the system of congresses of workers and staff members (hereafter referred to as workers' congresses) under the leadership of the Party committees so as to give full scope to the workers' and staff members' sense of responsibility as their own masters and ensure their democratic right to manage their enterprises

**Article 2** The workers' congress (or, in certain factories, the general meeting of workers and

staff members) is the basic organizational form for carrying out democratic management in an enterprise and the organ of power by which the workers and staff members take part in decision-making and management and the supervision of cadres.

**Article 3** In accordance with the Party's principles and policies and state laws and decrees, and under the leadership of the Party committees, the workers' congresses exercise their functions and powers to correctly handle the relationship of interests of the state, the enterprises and the workers and staff members, resolve any contradiction that arises within the enterprises, ensure the fulfilment of the state plans and other tasks, and run the socialist enterprises well.

**Article 4** The organizational principle of the workers' congresses is democratic centralism

### **Chapter II Functions and Powers**

**Article 5** In accordance with government policies, laws and decrees and the requirements of the state plan, the workers' congress exercises the following functions and powers:

(1) To discuss and examine the director's work reports, the plans for production and construction, the budgets and final accounts, major projects concerning the tapping of production potentials, technical innovations and

transformation and major issues in management, and to adopt relevant resolutions.

(2) To discuss and decide on the use of the enterprise's funds for labour protection, welfare of the workers and staff members, and bonuses; to discuss and decide on rules concerning rewards and penalty, housing distribution plans and other matters concerning the immediate interests of the workers and staff members.

(3) To discuss and adopt reforms of the system of organization, plans for wage adjustments, plans for training workers and staff members, and important rules and regulations governing the whole enterprise.

(4) To supervise leading cadres and working personnel at the various levels of the enterprise. To report to the higher authorities those cadres who have consistently worked hard and made outstanding achievements for commendations and rewards, to advise the higher authorities to promote the position or raise the wage grade of those cadres who have made special contributions. To suggest to the higher authorities to criticize, punish or dismiss those cadres who have neglected their duties and caused losses; to submit recommendations to the Party discipline inspection departments and state law-enforcement departments to take actions against those cadres who have neglected their duties with serious consequences and those who have violated the law and breached discipline.

(5) To elect leading administrative personnel of the enterprise in accordance with the arrangements of the higher organ of the enterprise. Cadres democratically elected should be submitted to the related higher organs for examination and appointment according to their respective jurisdictions.

**Article 6** The director of an enterprise should present work reports regularly to the workers' congress, assume responsibility for carrying out and handling the resolutions and proposals adopted by the workers' congress concerning the enterprise's production and administration, and accept the examination and supervision by the workers' congress. The workers' congress should support the director in exercising his or her functions and powers, uphold the centralized authority of the production directing system, and educate the workers and staff members to continuously enhance their sense of responsibility as their own masters, consciously abide by the labour disci-

pline and strictly carry out the responsibility system in the production and technical fields.

**Article 7** When a workers' congress differs with a decision or directive from the higher organ of the enterprise, it may put forward its own suggestions. If the higher organ decides to uphold the original decision or directive after discussing and examining the congress' opinion, the workers' congress is obliged to carry out the decision or directive.

### **Chapter III Workers' and Staff Members' Representatives**

**Article 8** Representatives to the workers' congress are directly elected by workers and staff members with work groups, work sections or workshops (offices) as the electoral units. Every regular worker and staff member of the enterprise who enjoys the rights as a citizen may be elected a representative.

Representatives are elected for a term of two years and may be re-elected. They are supervised by the workers and staff members of the units from which they are elected, and the workers and staff members have the right to recall or change their representatives in accordance with set procedures.

Workers' congresses should be composed of representatives of workers, scientific and technical personnel, administrative personnel, leading cadres and other personnel. Workers should account for no less than 80 per cent of the total number of representatives. Appropriate representation should be guaranteed to scientific and technical personnel, administrative personnel, young workers and staff members and female workers and staff members.

Representatives from each workshop and office (or several offices) form a delegation (group) and each delegation elects a head and several deputy heads.

**Article 9** The rights of the workers' and staff members' representatives are:

(1) To elect, to be elected and to vote at the workers' congress.

(2) To investigate how the resolutions and proposals of the workers' congress are carried out and handled in the various departments of the enterprise, and to address inquiries to the leaders of the enterprise.

(3) To enjoy the regular benefits for the production or working hours spent in partici-



pating in the activities of the workers' congress.

(4) To lodge complaints and accusations with the relevant departments when retaliated against for exercising their democratic rights.

**Article 10** The duties of the workers' and staff members' representatives are:

(1) To play an exemplary role in abiding by the Party's principles and policies and the state laws and decrees, strictly observe labour discipline and other rules and regulations and do a good job at their own posts.

(2) To take an active part in propagating and the lead in carrying out the resolutions of the workers' congress and to fulfill the various tasks entrusted to them by the workers' congress.

(3) To take a correct stand in representing the workers' interests, to maintain close contacts with the masses and to objectively reflect the masses' opinions.

(4) To study hard, continuously raise their political consciousness and improve their professional and technical ability and their managerial skills.

(5) To play an exemplary role in abiding by public ethics and lead the masses in fostering socialist morality.

(6) To help, to educate and to urge those workers who do not abide by the rules and regulations of the enterprise and those who have violated labour discipline to consciously overcome their shortcomings and correct their mistakes.

## Chapter IV Organizational System

**Article 11** When a workers' congress is in session, a presidium should be elected to preside over it. The presidium should include workers, scientific and technical personnel, administrative personnel, and leading cadres of the enterprise's Party, administrative, trade union and Youth League organizations. Workers should be the majority in the presidium. In general, the workers' congress does not have a standing organ. The presidium is also elected for a term of two years.

**Article 12** The workers' congress meets at least once every six months. The quorum for each session is two-thirds of the representatives. Interim meetings may be held to handle important issues upon the suggestion of one-

third of the representatives. When an election is held or a resolution is passed at the congress, it becomes valid only with the approval of a majority of the total number of representatives.

**Article 13** The agenda of the workers' congress should be set only after the opinions of the masses have been widely canvassed. Then they should be examined and discussed by the presidium before they are submitted to the workers' congress for approval.

**Article 14** When necessary, the workers' congress may set up working committees or groups (their members are not divorced from production). Their main tasks are: conducting investigation and research into major topics to be discussed by the workers' congress and putting forward suggestions; soliciting and verifying proposals; and supervising and urging departments concerned to implement the congress' resolutions.

**Article 15** To handle major issues that arise while the workers' congress is in recess, meetings of delegation (group) leaders of workers' and staff members' representatives and the relevant representatives may be convened by the presidium.

## Chapter V Working Organ

**Article 16** Trade union committees at the grass roots are the working organs of the workers' congresses. In co-ordination with departments concerned, they take care of the preparatory work for the convocation of the congresses, the secretarial work of the congresses while in session and the day-to-day organizational work when the congresses are in recess; they also handle matters entrusted to them by the workers' congresses or their presidiums.

## Chapter VI Appendix

**Article 17** On the basis of these provisional regulations and in line with their actual conditions, all the enterprises should work out detailed rules concerning their workers' congresses (or general meetings of workers and staff members).

**Article 18** In principle, these regulations also apply to the enterprises in transport and communications and capital construction, state farms and forestry centres, water conservancy facilities, as well as enterprises in commerce and foreign trade. The scientific, educational and cultural undertakings should also practise

democratic management by relying on the masses. They may, in the spirit of these regulations and in the light of their actual

conditions, work out their respective provisional regulations concerning the workers' congresses. □

## On the US "Taiwan Relations Act"

by Zhuang Qubing, Zhang Hongzeng and Pan Tongwen

**S**PEAKING on Washington's China policy, US administration officials have said time and again that the Reagan administration will develop US relations with China in accordance with the principles laid down in the Joint Communiqué on the Establishment of Diplomatic Relations Between China and the United States. At the same time, they have stressed that it is prepared to act on the "Taiwan Relations Act" approved by US Congress. There is nothing contradictory in this, they have repeatedly asserted. What is the essence of this "Taiwan Relations Act"? What line of thinking lies behind it? Does it or does it not conflict with the Sino-American joint communiqué? What impact will it have on Sino-US relations if it is implemented? These are some of the issues which must be given serious consideration by all who take an interest in the future of relations between the two countries.

### I. How the "Taiwan Relations Act" Came Into Being.

In December 1978, the Governments of China and the United States simultaneously announced that the two countries will recognize each other and establish diplomatic relations as of January 1, 1979. The US Government accepted the three principles the Chinese Government had consistently and publicly enunciated for the establishment of diplomatic relations between the two countries. These are: The United States severs "diplomatic relations" with Taiwan, terminates the US-Taiwan "mutual defence treaty," and withdraws its military officials on Taiwan. In the Sino-American joint communiqué made public on January 1, 1979, the United States recognized China's stand that there is only one China and Taiwan is a part of China, and that it "recognizes the Gov-

ernment of the People's Republic of China as the sole legal government of China. Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan." The joint communiqué opened a new chapter in the annals of China-US relations.

After China and the United States reached an agreement on the establishment of diplomatic relations, the Carter administration indicated that it would seek to "adjust" US laws and regulations to handle unofficial US-Taiwan relations in accordance with new circumstances following normalization of relations between China and the United States. On January 26, 1979, the Carter administration submitted to Congress the draft "Taiwan Relations Act." The Senate and the House of Representatives approved its final text on March 28 and 29 respectively, and passed it to President Carter on April 10 for signature.

Since the "Taiwan Relations Act" was drawn up after the publication of the Sino-American joint communiqué, and as the US officials themselves have declared that the "act" was introduced to handle US-Taiwan relations under the new situation arising out of the establishment of Sino-US diplomatic relations, one would expect that this piece of legislation strictly adheres to and fully reflects the fundamental principles affirmed in the joint communiqué. It should really fit the new situation. However, one can already detect in the draft President Carter presented to Congress and the explanations given to it by senior government officials contents which departed from the agreement reached on establishing Sino-US diplomatic relations. Though in the course of their discussion, members of Congress were generally in favour of the establishment of diplomatic relations between China and the United States and held that this conformed with the interests of the United States, a number of them attacked the Carter administration for making "too many concessions" to China and tried hard to introduce clauses into the "Taiwan Relations

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Act" that ran counter to the joint communique. They wanted to pull back US stand on the Taiwan issue from the agreement. Their proposals centred mainly around these two big issues.

First, the question of "guaranteeing Taiwan's security" after the termination of the "mutual defence treaty." Nothing was said about this in the draft "Taiwan Relations Act" put to Congress by the Carter administration and many Congressmen considered this to be a "major flaw." A number of them advocated that the United States should explicitly undertake responsibility for "protecting Taiwan against attack from mainland China." Some of them even urged the government to include some of the provisions in the "mutual defence treaty" in the "Taiwan Relations Act." Some Congressmen advocated that it should be stipulated in explicit terms that if China resorted to force over Taiwan, the United States would immediately withdraw its recognition of China and stop all economic exchanges with China. Others demanded that the US Government seek assurances from the Chinese Government that it would not attack Taiwan by force. Still others proposed that the provisions for continued selling of weapons to Taiwan should explicitly include the sale of most advanced military equipment. Although most Congressmen did not subscribe to such flagrant behaviour, they held that Carter's statement on the establishment of Sino-US diplomatic relations that the United States "continues to be concerned over the peaceful solution of Taiwan issue" was inadequate, and that provisions "ensuring Taiwan's security" must be included in the "act." Only a few Congressmen pointed out that it was self-contradictory for the United States to establish new relations with China and terminate the US-Taiwan "mutual defence treaty" and at the same time declare that it will not "tolerate China's resort to force" against Taiwan. As the *Congressional Quarterly Weekly Reports* put it, the debate in Congress was essentially not about whether or not inserting a clause "guaranteeing Taiwan's security," but about "how strong and how formal" the American commitment to defend Taiwan should be. In the words of the then Chairman of the Senate Foreign Relations Committee: "How to best frame the assurances."<sup>2</sup>

Second, the nature of the offices set up by the United States and Taiwan. This is actually a question of the nature of US-Taiwan relations.

In order to handle non-governmental relations between the people of the United States and the people on Taiwan, the Carter administration's original proposal to Congress was that the United States would set up an "American Institute in Taiwan," which is legally a non-governmental organization, and that Taiwan would also establish a similar office in the United States, the so-called "Co-ordination Council for North American Affairs." But in the course of the debate in Congress, a number of Congressmen wanted to bestow on the organization a governmental nature. Some held that like senior officials and diplomatic envoys of the US Government, officers to the "American Institute in Taiwan" should be appointed with the consent of the Senate. Some wanted employees of the "American Institute in Taiwan" to be listed on the payroll of US Government employees. Some wanted the employees of the "Co-ordination Council for North American Affairs" to be given the same diplomatic privileges and immunities that diplomats enjoy. A number of Congressmen even urged the reciprocal establishment of "Liaison Offices" in the United States and on Taiwan, similar to those set up between the United States and China prior to the establishment of diplomatic relations. Though these "amendments" were voted down by Congress, several were passed which conferred on these offices set up by Taiwan and the United States a hazy but de facto diplomatic character.

Thus it can be seen that the thinking which dominated the US Congress in drawing up the "Taiwan Relations Act" was not to implement the various fundamental principles contained in the newly-signed joint communique, but to use the "act" to partially offset or to negate these principles. As one Senator admitted, in drawing up the "Taiwan Relations Act," the US Congress was trying to maintain the status quo and US original relationship with Taiwan, as if this relationship had not changed after the establishment of diplomatic relations between China and the United States.<sup>3</sup>

President Carter made commendable efforts in bringing about the normalization of Sino-US relations. He expressed his disapproval of the proposals which more blatantly and crudely went against the joint communique, and sometimes even threatened to exercise his veto power. But he gave his approval to a number of "amendments" which went against the principles expressed in the joint communique. When signing the "Taiwan Relations Act," he insisted

that it accorded with the agreement reached in normalizing relations between China and the United States and he had reservations on only some individual points. He also expressed willingness to use the "discretionary" power given to the President by Congress in the "act," to exercise "discretionary power" in a way that is in accord with the joint communique.

## **II. "Taiwan Relations Act" Violates the Agreement on the Establishment of Sino-US Diplomatic Relations and International Law.**

As mentioned above, the United States in the Joint Communique on the Establishment of Diplomatic Relations Between China and the United States finally recognized that the Government of the People's Republic of China is the sole legal government and that there is only one China, and Taiwan is a part of China. That being the case, the United States must therefore recognize that it is entirely China's own internal affair to decide which way Taiwan will return to the motherland and thus complete the country's reunification, and, in accordance with the basic principles of international law, the United States or any other country should, under no circumstances, interfere in this question.

However, the "Taiwan Relations Act" clearly stipulates that it is the policy of the United States to make clear that the "United States' decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means"; "to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts, or embargoes, a threat to the peace and security of the western Pacific area and of grave concern to the United States;" and to "maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan;" "the President is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom. The President and Congress shall determine, in accordance with constitutional processes, appropriate action by the United States to any such danger."

These clauses obviously go against the agreement on the establishment of Sino-US diplomatic relations and the principles of international law. What right has the United States to so flagrantly interfere in the future, security

and social or economic system of China's province of Taiwan, all of which are entirely within the bounds of Chinese sovereignty?

The provisions made in the "Taiwan Relations Act" for "guaranteeing Taiwan's security" were based on a "joint motion" tabled by two Senators on the Senate Foreign Relations Committee. Explaining the "joint motion," one of these Senators publicly described the amendment as the "equivalent" of the expiring US-Taiwan "mutual defence treaty." The other pompously declared that the "joint motion" not only would ensure that the "Taiwan Relations Act" provided the same "security guarantees" as the US-Taiwan "mutual defence treaty" but it would be even broader in scope, in that the "defence treaty" dealt only with the "security" of Taiwan, whereas the "act" covered "security and the social and economic system." The "defence treaty" was only to resist "any use of force," the "act" included "other forms of coercion," "including boycotts, or embargoes."<sup>5</sup> No wonder that after the "Taiwan Relations Act" was approved, a former US "ambassador" to Taiwan commented: "While the Taiwan defence command and all other US military personnel have already left the island and the mutual defence treaty will cease to have force and effect on January 1, 1980, the 'Taiwan Relations Act,' as amended by the Congress, underwrites Taiwan's peace and stability, such as official diplomatic relations and treaties did before."<sup>6</sup> The president of the American Chamber of Commerce in Taiwan, too, has declared that the security provisions of the "act" are "even stronger than the existing US defence treaty with Taiwan."<sup>7</sup>

These clauses in the "act" are in fact meant to resuscitate in a disguised way the "mutual defence treaty" between the United States and Taiwan following the US announcement to terminate it. This is not the attitude a country should adopt in its foreign relations.

It must be pointed out emphatically that the "Taiwan Relations Act" stipulates in specific terms that the United States will continue to provide the Taiwan authorities with so-called "defence articles" and "defence services." It is common knowledge that the local authorities on Taiwan want US-made weapons to confront the Central Government of China. Since the United States recognizes the Central Government as the sole legitimate government of China and Taiwan as part of China, then according to established principles of international law, how could the



United States use arms to support the local authorities of a country to oppose its central government? During the American Civil War, didn't the US Government resolutely oppose the British sending arms to the Confederate states and regarded it as a violation of international law? In 1965, the General Assembly of the United Nations approved the "Declaration on Inadmissibility of Intervention in Domestic Affairs of States and Protection of Their Independence and Sovereignty," which declared that "No state shall interfere in civil strife in another state."<sup>8</sup> Didn't the US Government vote for the declaration? The "Declaration on Principles of International Law Concerning Friendly Relations and Co-operation Among States in Accordance With the Charter of the United Nations," adopted at the General Assembly of the United Nations in 1970, also explicitly pointed out: "Any attempt aimed at the partial or total disruption of the national unity and territorial integrity of a state or a country or at its political independence is incompatible with the purposes and principles of the Charter." "Every state has the duty to refrain from organizing, instigating, assisting or participating in acts of civil strife."<sup>9</sup> Wasn't the United States then a sponsor country of the declaration? One US Senator, who opposed the "recognition of the People's Republic of China as the sole legal government of China," asked in Congress: "How can we sell military equipment and arms to the people on Taiwan when we have recognized Peking as the sole government of China? Are we not, then, selling arms to a rebellious province?"<sup>10</sup> These words prove that selling weapons to Taiwan is incompatible with "recognizing the People's Republic of China as the sole legal government of China."

That the "Taiwan Relations Act" contravenes the joint communique on the establishment of Sino-US diplomatic relations and violates international law are seen not only in its "guarantee of Taiwan security," but also in the nature of US-Taiwan relations. On establishing diplomatic relations with China, the United States acknowledged Taiwan as an integral part of China and terminated "diplomatic relations" with Taiwan and undertook to maintain cultural, commercial and other unofficial relations with the people on Taiwan within the context of "recognizing the People's Republic of China as the sole legal government of China." Yet, in the "Taiwan Relations Act" a number of provisions actually continue to regard Taiwan as a "state" and the Taiwan authorities as a "gov-

ernment" of a "state" in an attempt to impart an official character to US-Taiwan relations.

The "Taiwan Relations Act" stipulates: Whenever the laws of the United States refer or relate to foreign countries, nations, states, governments or similar entities, such terms shall include and such laws shall apply with respect to Taiwan. A US Under-Secretary of State has admitted that one of the major purposes of this legislation is that Taiwan can be treated as "a country."<sup>11</sup>

Although the "Taiwan Relations Act" states that future US-Taiwan relations will be handled through a "non-governmental entity," the act also stipulates that the agreements and transactions made by the "American Institute in Taiwan" with the Taiwan authorities and their instrumentality shall be subject to the same Congressional notification, review, and approval requirements and procedures as if such agreements and transactions were made by the agency of the United States Government itself. The act also provides that the personnel of the instrumentalities exchanged between the US and Taiwan shall enjoy "such privileges and immunities . . . as may be necessary for the effective performance of their functions." According to explanations given by the Carter administration, and the "Agreement on Privileges and Immunities" signed later by the "American Institute in Taiwan" and the "Co-ordination Council for North American Affairs," these privileges and immunities include practically all diplomatic privileges and immunities. In the words of Hansell, a State Department legal adviser, they constitute the "equivalent of all diplomatic privileges and immunities."<sup>12</sup> Some US Congressmen bluntly described the "American Institute in Taiwan" under the "Taiwan Relations Act" as a "charade," and "will be a government agency in everything but name."<sup>13</sup>

Under the "act," all "treaties and agreements" in force at the end of 1978 between the United States and Taiwan, except the "mutual defence treaty" and its related "agreements," remain in force. This means that most of the "treaties" and "agreements" previously entered into by the United States and the "state" of Taiwan remain intact and valid. It is an acknowledged fact that only states enjoy the right and power to conclude international treaties and agreements. Unless it has the consent or authorization of the central government, a local authority is not qualified to conclude international agreements with a foreign country.

The first article of the US Constitution also stipulates clearly that no state shall enter into any treaty or conclude, without the consent of the Congress, any agreement with foreign countries. So all "treaties" and "agreements" between the United States and Taiwan should have been declared null and void following the US recognition of Taiwan as a part of China. A Senator was moved to ask: How can the "agreements" and "treaties" remain in force when the United States has acknowledged that Taiwan is a province of the People's Republic of China? Could the United States, for example, maintain a treaty with the Province of British Columbia without the consent of the Government of Canada?<sup>14</sup>

The "Taiwan Relations Act" also stipulates that recognition of the People's Republic of China shall not affect in any way the ownership of "all kinds of tangible and intangible properties" of the Taiwan authorities prior to the establishment of diplomatic relations between China and the United States. In accordance with internationally recognized laws, the US Government, after recognizing the People's Republic of China as the sole legal government of China, is obliged to revert all the official properties of China, held by the Taiwan authorities, to the People's Republic of China. When he signed the "Taiwan Relations Act," President Carter had to make certain reservations on the above stipulations, saying that "the question of diplomatic properties of China could have been handled better in another way."

It is amply clear even from some of the contents quoted from the "act" that the central

aim of the "act," as one Congressman said, was "to ensure that our relations with Taiwan will continue essentially unchanged."<sup>15</sup>

(To be continued.)

#### Notes

1. US Congressional Quarterly Weekly Reports, March 10, 1979, p.402.
2. Taiwan: Hearings Before the Committee on Foreign Relations, United States Senate, 1979, p.423.
3. Ibid. p.764.
4. US Congressional Quarterly Weekly Reports, Feb. 24, 1979, p.348.
5. Taiwan: Hearings Before the Committee on Foreign Relations, United States Senate, 1979, p.779.
6. US Foreign Policy, Fall, 1979, p.111.
7. Ibid. p.134.
8. Year Book 1965, United Nations, p.95.
9. Year Book 1970, United Nations, p.790.
10. US Congressional Records, March 13, 1979, p.S2581.
11. Taiwan: Hearings Before the Committee on Foreign Relations, United States Senate, 1979, p.53.
12. Ibid. p.121.
13. US Congressional Records, March 8, 1979, p.H1176. US Congressional Quarterly Weekly Reports, March 10, 1979, p.403.
14. Taiwan: Hearings Before the Committee on Foreign Relations, United States Senate, 1979, pp.48-49.
15. US Congressional Records, March 8, 1979, p.H1176.

(This is a translation of an article in the quarterly "Journal of International Studies," issue No. 1, 1981.)

## Report From Rural Anhui (III)

# Peasants' Lives Improve

by Our Correspondent Tian Yun

**D**URING my recent tour of Anhui Province, I saw many villages with newly built tile-roofed houses tucked among the green trees. When I asked a comrade from Fengyang County about this, he told me that peasants there built 20,000 houses last year even though it was hard to get building materials.

## Better Housing

I visited the home of Fang Dehou, leader of Bali Production Team in Chuxian County;

his home is surrounded by trees, on one side is a bamboo grove, and chickens and geese run to and fro in the yard. Fang Dehou, a straightforward and good-natured man, greeted me. As we toured his home, he pointed at the three old thatched cottages which housed sheep, and said: "These were built in 1953. My parents died early and I suffered hardship in my childhood. During the agrarian reform in 1950, I was allotted a thatched cottage. As life improved, I built these three cottages. After some 20 years, these houses began leaking and my family was



larger, so I saved for several years and in 1974 I built three tile-roofed rooms with the help of my relatives. Not long after that, trouble befell me."

"In 1975," Fang went on, "the gang of four said that all peasants had a spontaneous tendency towards capitalism, and 'upstarts' were searched and criticized. The work team sent by the higher authorities also regarded me as an 'upstart.' As a result, I was relieved of my responsibility to do self-examination. After five months when they could find no grounds for their accusations, they had to restore me to my post."

"In recent years, the government has encouraged the peasants to diversify the economy and we are better off than we were. We have favourable conditions in this mountainous area and as you can see, I have three pigs, 15 chickens, 20 geese and 34 sheep. There are some 200 trees around my home including six fruit trees. There is a small patch of bamboo nearby and I grow lotus roots and raise fish in this pond. Last year, I gathered 7,400 kilograms of grain and received a cash income of 3,900 yuan from farm and sideline occupations.

"Last October, I built three more rooms with stone walls, tile roofs, cement floors and glass windows. Another three tile-roofed rooms adjacent to my own were built with my future daughter-in-law's and my money. Commune members in my village all congratulated me and I entertained them all by arranging a movie showing in the front yard."

Songwang Production Brigade in Chuxian County's Zhangguang Commune is a backward,

Peasants building new tile-roofed houses.



out-of-the-way village. For years, they were not self-sufficient in grain. The young men in the village could hardly find brides, and the village girls also wanted to marry out of this village.

In the past two years, they have fixed farm output quotas for each household and diversified the economy. The brigade members' incomes have markedly increased and their life has become more secure. The young men are finding it easier and easier to get married. Not only are the young women from this village willing to stay there but also girls from other villages want to marry into this village. Twenty-five couples out of 270 households in this brigade married last year.

Zhu Yonggang of Songwang brigade and Wu Jiacui of Quanjiao County got married last January. They were classmates at senior middle school from which they graduated in 1976. At school Zhu was clever and honest and Wu thought highly of him. But Songwang was extremely poor and everything, including food, clothing and housing, was inferior to those in her own village. Fearing that her parents would not approve of her thoughts, she never revealed to Zhu her feelings towards him. Recently Songwang Production Brigade has had an upswing in its production and her suppressed feelings were set free. They were engaged last year and married early this year.

Zhu's mother invited me to visit her son's room. A crimson paper with calligraphy proclaiming happy tidings hung on one wall, a wooden bed decorated with carved flowers, two wardrobes, two wooden trunks and two rattan chairs were neatly arranged in the chamber. In the cupboard was a tea set, on the desk were a transistor radio and a foreign novel, and on the wooden chair was an unfinished woollen sweater; all these were rarely seen in the old Songwang brigade.

Not far from the house, I met with the bride who was ploughing the vegetable plot. Wu Jiacui, tall and sturdy, had a young face, and spoke elegantly. "Songwang will be even better off in a few years," she said.

In 1978, Xiaogang Production Team in Liyuan Commune was one of the poorest teams in Fengyang County. (See first instalment of this report in issue No. 34.) In years past, by early spring the grain from the last harvest had been consumed and the new crop had not ripened.

People left the village to seek a living and it became desolate. This spring was different; the village was bustling with activity. Commune members in twos and threes were busy dibbling peanuts; others were pulling carts of manure to the fields. Under the trees women were sitting on small benches making shoes and playing with their children. Chickens and pigs wandered everywhere looking for food....

Yan Hongchang's wife had just had a baby, so I chatted with Yan in a grove of trees in front of his house. This deputy team leader told me that during the period of 1966-76, the annual per-capita food allocation in this village was only 83 kilogrammes and for half of the year they had to supplement this with grain from the state. In recent years, the government has adopted a flexible rural policy, encouraged the peasants to become prosperous through their own labour and, in particular, approved the practice of fixing farm output quotas for each household. As a result, the enthusiasm of the peasants has been aroused and production has developed rapidly. Eighteen of the 20 households in this village reaped over 5,000 kilogrammes of grain last year.

Speaking of the better lives of the commune members, Yan Hongchang spoke not of daily necessities, but of other things. He first mentioned, "Immediately after last Spring Festival on February 8, I went to Nanjing where I stayed in a hotel for three days. More than 10 commune members went to Nanjing during the Spring Festival." Then he brought up an earlier happening: "In 1971, my cousin and I and four others of our two families went to Huaiyuan County in order to make a living. An old peasant vacated a room and allowed us to stay there for half a month. Things are getting better now, so last winter we invited him to be our guest. I killed a pig in his honour. By the way, before last Spring Festival 17 households in Xiaogang slaughtered pigs for their own feasts."

Wu Fengqi, a commune member in Yantangtou Production Team of Liyuan Commune, recently received a letter from Chen Jinfu, a middle-school principal, who was his fellow soldier in the 1950s. Not long ago, Chen saw Wu Fengqi in a newsreel about Fengyang



The Wu Fengqi family of Fengyang County set a household record for the summer wheat harvest: over 8,500 kilogrammes on 50 mu of land.

County. He became excited and immediately wrote a letter congratulating Wu.

Wu Fengqi wrote in his reply: "Last year my family of nine earned a net income of 8,900 yuan. I built four rooms of bricks and tiles, bought a bicycle, a sewing machine, a wrist-watch and 450 kilogrammes of chemical fertilizer. With money collected from the three families of my brother, my sister and of my own, we bought a tractor (during the busy season it can plough and during the slack season it can be used for transport). I myself am surprised that I bought so many things in a single year! You must come visit my family during your vacation."

I found Wu Fengqi to be a talkative middle-aged chap. We discussed intensive farming methods and the popularization of scientific techniques in agriculture. He also expounded on the purchase of the tractor and how he would use and service it.

Back in the county town, I met with Chen Tingyuan, the secretary of Fengyang County Party committee. He said: "In the past two years, most tractors were bought individually by the commune members or jointly by several households." Asked what is his opinion about this, he responded: "This is a good beginning. You can see that peasants who adopt the system of fixing farm output quotas for each household still want co-operation and mechanization. Although Wu Fengqi and his brother and sister



are not in the same production team, they have jointly bought a tractor. This is a new kind of co-operation. With the development of diversified economy in the future, there will be need for more big machines. Will there be a day when the peasants work out a new form of division of labour and specialization on a voluntary and mutual benefit basis? I think it is possible."

**Farm Machines in Fengyang County**

Time	Walking Tractors	Tractors	Threshers
1977	570	*	525
1980	1,130	269	*
March 1981	1,672	320	1,232

\* Data not available

## Visiting a Rural Fair

**I**N the countryside where people live in villages far apart from each other, the rural fair is an indispensable supplement to the socialist commerce. There the peasants buy and sell agricultural and sideline products and engage in transactions with urban people. With the new flexible rural policy, rural markets have become active again.

The rural fair is a traditional method of exchange in China. In county seats and other towns, there are usually a couple of rural fairs held every 10 days. The fair in Linhuaguan (a town with 20,000 residents) is rather special. Located by the Hual River and the Beijing-Shanghai Railway, the town is one of the major trade centres in Fengyang County. Along the streets and lanes stretching four kilometres are stalls that are set up every morning, selling grain, peanuts, vegetables, fruit, fish, meat, eggs, cattle, pigs, sheep, firewood, wood and bamboo or willow woven articles. There are also snack counters where local specialties are served.

Here, one can see plainly that the peasants have plenty of grain. In former times when there was a shortage of grain, especially in spring when the new crop was still not ripe and the old stock already consumed, the price of grain soared and life was hard for the people. But now there is an abundant supply of grain and peanuts. A manager of the fair told me that

the business volume of grain and oil-bearing crops in the first quarter of this year was greater than in the same period last year. Prices either remained stable or declined somewhat. For instance, rice dropped from 0.78 yuan per kilogramme in March 1980 to 0.54 yuan; the price of pork also has gone down from 2.60 yuan per kilogramme to 2.20 yuan.

To ensure normal trade, this fair employs a dozen managerial personnel. The total volume of business per day exceeds 5,000 yuan. The tax and management fees are one per cent for any exchange of 100 yuan or above at the fair. Therefore the majority of peasants whose business volume is below 100 yuan are exempt.

People praise the rural fair for it has made things easier for them. They can buy agricultural and sideline products; pedlars also sell items which are not easy to get from local state-owned stores, such as hardware and nylon knitted goods.

"State-owned restaurants in Linhuaguan used to be characterized by their rigid service attitude, limited varieties of dishes and the long time the customers had to wait," explained Wang Jianfang, a cadre of the industrial and commercial administration. "Now the situation has changed with the setting up of individually run snack stalls. If you go to these stalls you can eat immediately. The food served by them is varied and their business is brisk. State-owned restaurants, faced with competitors, quickly expanded their menus, prolonged their business hours and improved services. As a result, the customers are satisfied."

## Livestock Market

Traditionally, Fengyang held a large fair in spring and in autumn. It was suspended during the "cultural revolution," and only reopened in 1979.

At the spring fair this year, I saw long rows of sheds and stalls dotting both sides of seven streets stretching 3.5 kilometres. East of the county government buildings, clothing, daily necessities and drums were on sale. There were also acrobatics, shadow shows and open-air movies. To the west were stalls selling farm tools and wooden furniture, including beds, wardrobes, tables and chairs. State-owned stores, supply and marketing co-operatives, factories, collectively owned enterprises and individual peasants all came to peddle their goods.

In the open fields southwest of the town



About 1,300 head of cattle on sale at the large spring fair.

were hogs, sheep and oxen. Increasing numbers of peasants are purchasing cattle since the responsibility system in production was adopted. One day there were 1,300 head on sale and the market was thronged with customers.

A tall, lean middle-aged peasant led his newly bought water buffalo out of the market. He said, "A few years ago, I could not have afforded to buy an ox." At that time he had to borrow over 200 yuan a year but last year he earned a cash income of 1,850 yuan, so today he bought a water buffalo for 1,200 yuan. He continued, "The buffalo's legs will help produce more grain. Unless the soil is deeply and carefully ploughed, no rich harvest can be reaped." He further explained, "My fourth elder brother is sick. I'll plough not only the land I'm responsible for, but his as well."

### "Underestimation"

"We underestimated the peasants' purchasing power," reported many sales clerks and managers who took part in the three-day fair. Clothing, household items and better quality commodities have become highly-sought-after goods. Moderately priced quilt covers which sold well in the past were not in so

much demand as silk ones. The supply and marketing co-operatives sold 5,370 metres of dacron and other synthetic fabrics and 4,752 pieces of clothing. The 1,600 plastic raincoats made by a local products company were also sold out.

Since improving their living standards, the peasants have increased purchases of furniture. They buy high-priced furniture if it is of good quality. Seventy exquisite wardrobes brought in by peasants from the distant Fanchang County were priced 20 to 30 yuan higher than the ordinary ones but sold quickly. Chests of drawers shipped to the fair by the county local products company sold for 89.2 yuan each and were all bought up the day they arrived due to their fine craftsmanship. An old woman bought the last one. She said, "My son is going to marry this autumn; I had bought him a spring bed, a wardrobe and a desk. The only thing lacking was a chest of drawers."

Last year, the sales of many commodities increased in Fengyang County, especially higher priced commodities and building materials.

Radios are quite common in the rural areas and individual peasants have begun to buy TVs. Only 19 households in the county bought them

Commodities Bought by Fengyang Peasants

	1979		1980	
	amount	percentage increase over the previous year	amount	percentage increase over the previous year
Total commodity sales of the county	68.5 million yuan	22.2	78.94 million yuan	15.2
Bicycles	1,872		5,096	172.2
Sewing machines	1,619		7,072	336.8
Radios	27,300		31,050	13.7
Watches			11,178	100
Building materials				over 50



last year, but there was a marked increase this year. At the fair, a peasant bought a Japan-made 12-inch black and white television set at a cost of 500 yuan. To the throng of interested onlookers he explained, "I have a family of six, which earned a cash income of 2,600 yuan last year so we decided to buy a TV set."

### Deep Impression

The three-day fair drew about 100,000 customers. Total volume of sales was 654,700 yuan, an increase of 37 per cent over spring 1980. Of the items sold, 19.8 per cent were capital goods and 80.2 per cent consumer goods.

Wang Baotai, vice-chairman of the county people's congress standing committee, said: "Before the 'cultural revolution,' the volume of sales used to be only 200,000 to 300,000 yuan. Now, if there was an adequate supply of goods, the sales might reach 2 million yuan. The problem is that many commodities highly sought after by the peasants are in short supply, including building materials, chemical fertilizers, sewing machines, bicycles, watches, dacron clothing, famous brand cigarettes and certain wines. It was estimated that several thousand bicycles or sewing machines could be sold during the three-day fair, but we were able to supply only 30 bikes. In the first quarter of this year, the county withdrew 3 million yuan of banknotes from circulation. We calculate that there are still 8 million yuan in the hands of the masses. There will be a rich harvest of rape and wheat in June, so the peasants will have even more cash. Though the state has adopted many measures in the last two years to raise the production of light and textile industrial goods and building materials, and results have been achieved,\* there is still a big gap between supply and demand."

The rapid development of agricultural and sideline production will surely promote the development of the nation's industry and commerce. The Chinese market with 800 million peasants has tremendous potential.

### Cultural Centres

Peasants in Chuxian Prefecture are seeking a fuller cultural life. In the last two years,



Peasants watching the traditional "boat dance" on the playground.

since the responsibility system in production was adopted, their material life has improved dramatically. As they have more money and time for entertainment, they have set up cultural centres in 56 towns. There cultural, recreational, and physical fitness activities are organized. Zhengji in the nearby county of Tianchang was the first commune in the area to establish such a cultural centre.

### Town of Zhengji

The 19,000-member Zhengji Commune is located in a remote section of Tianchang County. Zhengji, the commune seat with a population of 2,000, is a traditional commercial town. On market days and holidays, the bazaar is thronged with people, the theatre is filled to capacity and the cultural centre is bustling with activities.

Between the cultural centre and the commune office, there is a small playground. At dusk spectators often gather there to watch ball games. The theatre which is located nearby has a seating capacity of 665; movies are shown three or four days a week and occasionally there are operas. Its mobile film projection unit often tours smaller villages. On the small blackboard in front of the theatre is written the title of the film to be shown each evening, the TV schedule and ticket prices. A peasant can watch the TV programmes for one evening and see a movie

\* China produced last year 13.02 million bikes, 7.68 million sewing machines, an increase of 29 per cent and 30.8 per cent over those of 1979 respectively. Both registered another 24 per cent increase in the January-April period this year over the same period of last year.—Tr.

at a cost equivalent to the price of a couple of eggs.

The theatre is flanked by a yard with fragrant flowers and lush green trees. In the right courtyard are a greenhouse and a 130-seat TV room which receives Beijing and Nanjing stations. There, both men and women enjoy watching Beijing and international news broadcasts, Chinese and foreign movies, dramas and musical performances on a 24-inch colour TV.

On the bulletin boards in the left courtyard are pictures of current events and posters about family planning. Eighteen magazines and eight newspapers are available in the reading room which can accommodate 50 people. The librarian Liu Yongdi elaborated: "The reading room has a stock of over 1,000 books, about 10 per cent are checked out at any one time." The recreation room has table tennis, Chinese chess and army chess. Ordinarily there are about 20 youngsters playing there. One project of the photography, arts and crafts group is to take local newsphotos and to take pictures for the commune members in their homes.

Forty-year-old Liu Limin has many skills. He can carve characters on seals, run a mimeograph, make paper lanterns, write couplets and mount pictures. Handicapped since childhood, Liu walks with crutches and devotes most of his time to arts and crafts. Through self-study he has improved his technique and, since the establishment of the cultural centre, he has a place to more fully utilize his abilities. He and his assistants carved a sign for the sales department of a local supply and marketing co-operative. He said: "There are many who come to place orders; we are always busy." In the past when one wanted to have such things done, or to buy books or to have one's picture taken, one had to go to the county seat some 20 kilometres away. Now, these things can be done locally.

### Old Artists and New Performers

This cultural centre has absorbed the old folk artists and organized them into a *quyi* (ballad singing and story telling) group and *Yangju* (Yangzhou opera) troupe, which often give performances for the masses.

The five-member *quyi* group performs *dagu* (a story told to the accompaniment of a small drum and other instruments) which is popular among the peasants. Xu Yizhen, a member of the Changan Production Team, took

up story-telling as his occupation, but during the "cultural revolution" when folk arts were banned he could only work in the fields. He amused himself by gambling in his spare time, thus losing all his property and almost his wife. Angry and annoyed, he cut off the index finger of his right hand and swore to cease gambling. But during the slack season, he vacillated and returned to the gambling table. Others accused him of lacking determination. He explained, "In those days I was not allowed to tell stories and had nowhere to go to see an opera, what could I do?" When the cultural centre was set up, he joined the *quyi* group and after his skill was tested, he was appointed the group leader. This old folk artist's old vigour and vitality have been revived. Nowadays before he begins his story-telling, he often recounts what harm can befall a gambler.

*Yangju* is a local opera form which got its name from the city of Yangzhou about 100 kilometres from Zhengji town. In the early post-liberation years, Zhengji had an amateur *Yangju* troupe. After the establishment of the cultural centre, the troupe composed mainly of local artists was restored. Last October, the troupe was expanded to 43 members by recruiting 17 young commune members from the county. The commune invited an old performer from outside the county to act as their teacher and the Cultural Bureau of Chuxian Prefecture appointed a director.



Young and old enjoying the new colour television at the cultural centre.





Amateur Yangzhou opera singers.

After going through a three-month training course, the youths gave performances in Zhengji early last February and later they travelled to neighbouring communes.

Twenty-year-old Liu Yuexiang is one of the performers who has won special recognition. She is a gentle, pretty youngster. "I loved singing and dancing when I was in school," she explained, "but I never thought of being an actress. Since I was enrolled in this troupe, I have been training my skills from morn till dusk, and I feel pleased."

She played the leading female role in *The Legend of the White Snake*, a traditional opera. Following her teacher's advice, Liu Yuexiang tried her best to express the feelings of the character in the aria. Her singing was heart-stirring and she won favourable acclaim from the audience.

The acrobatic fighting scenes in this opera are quite difficult to perform. The director deleted some of the most difficult actions, but it was still extremely intricate for these youngsters who were just novices. Seventeen-year-old actress Li Yuexia had to perform a series of acrobatic moves in the opera, so she got up early every morning to rehearse the actions. Her resulting progress has been outstanding.

## Development of the Centre

Zhengji did not receive any aid from the state or funds from the peasants to build the cultural centre. The funds for the facilities have come from two sources: the commune enterprises' profits and the income obtained through various activities of the centre. The facilities were built with local materials to save money. The 33 rooms of the cultural centre and the theatre are converted commune buildings. Workers and staff members of the cultural centre levelled the land to build the playfield, whitewashed walls and made theatrical props themselves.

As to how to consolidate and develop the cultural centre in the future, deputy secretary of the commune Party committee Wang Yonghan suggested:

- Further popularize agricultural science and technology. Since the adoption of the responsibility system in production, the peasants' enthusiasm for learning science and technology has soared and the agro-technicians in the commune have been extremely busy. People call at their office, wait for them at their homes and stop them on the road. Since there are very few agro-technicians at present, they cannot go from house to house to give advice. Last year, training courses were opened by the commune and the cultural centre to train over 500 people. Within the last 10 months, 20 lectures on agricultural technology were broadcast over the loudspeaker in numerous villages to acquaint the peasants with advanced practices suitable to their localities. This type of activity should be expanded.

- Gradually achieve balance between income and expenditure. At present, the part-time *Yangju* troupe is still in its initial stage of development; its income often falls short of the expenditures. It has decided to run a seasonal enterprise (such as an ice-sucker plant). The performers and staff members can devote part of their time to production and strive for self-sufficiency in funds or a slight surplus, so as to be able to gradually expand facilities for cultural and recreational activities.

- A cultural network should gradually be set up in the commune. The commune's cultural centre should promote the masses' cultural activities in the brigades. Recreation rooms have already been set up in three production brigades. □



## Books

### **First Economic Year Book**

**Almanac of China's Economy**  
(in Chinese)

《中国经济年鉴》

Published by Economic Management Magazine Office,  
Beijing,

Renminbi: 15.00 yuan (de luxe edition),

10.00 yuan (paperback).

*Almanac of China's Economy* (1981) is an indispensable compendium for those interested in China's economy. To be published this month, it provides the most up-to-date and comprehensive picture of China's economy ever available. Its editor-in-chief is the renowned economist, Xue Muqiao, and the contributors include many knowledgeable scholars and experts.

The first economic almanac to be published since the founding of the People's Republic, it totals more than 1,000 pages and contains many coloured illustrations. The work gives a systematic account of the development of China's socialist economy over the past 30 years, including government policies, decrees and regulations for agriculture, industry, finance, taxation and foreign trade.

Seldom before has China published statistical figures on its finance and economy, particularly absolute figures. Published here for the first time, these statistics have been verified by the State Statistical Bureau. The publication of this almanac thus reflects the growing trade relations with foreign countries and the open economic policy which has been adopted in the last few years.

At the end of 1978 a new

period of socialist modernization was ushered in with the convocation of the Third Plenary Session of the 11th CPC Central Committee. Since then, "Left" mistakes have been corrected and adjustments and reforms have been effected in the national economy. Now China's economy is on a sound basis and managed in accordance with objective economic laws.

The almanac is slated to come out once a year. This first edition primarily contains information on the country's economic performance in 1980, but it also touches on the economic developments over the last 30 years. In addition, this work carries background material on Chinese history, geography, national minorities, political parties, government system, mass organizations and administrative units above the county.

The work contains articles written specially for the almanac, including Xue Muqiao's "How to Look at the Current Economic Situation," "New Strategy of China's Economic Development" by Ma Hong, "Readjustment and Transition of China's Economy" by Fang Weizhong, "Problems in the Reform of China's Economic System" by Liao Jili, and articles showing the reform of the industrial management system in Sichuan Province and the system of responsibility in agricultural production in Anhui Province.

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